

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Penmar Industries Inc.

Connecticut State Technology Extension Program

ISO + Lean = Continuous Improvement at Penmar Industries

Client Profile:

Penmar Industries, Inc. is a leading minority supplier of high quality labels, tapes and packaging supplies. Penmar's clients include Tyco International, United Technologies Corporation, AT&T, and Ford Motor Company. Penmar employs 15 people at its headquarters in Norwalk, Connecticut.

Situation:

Penmar Industries' president, Tony Soegaard, made the strategic business decision to become registered to ISO 9001:2000. Although achieving certification was not mandated by any particular client, reaching the quality standard became a primary goal since all customers would ultimately benefit from Penmar's commitment to quality. The company's management team also wanted to advance the registration process before certification became required by clients. Penmar Industries was already known for providing great customer service but wanted to take a look at how to improve efficiency within the company. Their two major priorities were achieving ISO certification and focusing on Lean implementation. Penmar's Operations and General Manager, Rick Cipot, looked to the Connecticut State Technology Extension Program (CONNSTEP), a NIST MEP network affiliate, for assistance.

Solution:

CONNSTEP assigned service provider Marty Millea to the task of preparing Penmar for ISO certification. The management team was initially apprehensive about adding ISO requirements to the already complex daily responsibilities of meeting customer demands and operating the company, yet knew that achieving certification was critical to future success. Early in the process, Millea examined Penmar Industries' documentation and practices to determine the degree of compliance to the current ISO9001:2000 standard. Penmar saw that Millea was dedicated to making ISO 9001:2000 approachable, accessible and an affordable solution for the company. He provided ISO-required training and orientation to engage every staff member in the process of improving safety, delivery and lead time through utilizing the tools of documenting, tracking and evaluating. Penmar Industries soon adopted the philosophy that every staff member is a vital part of the quality control team. This outlook was instrumental in empowering employees to realize that no one is impervious to error and all personnel must watch for mistakes to catch them early on.

CONNSTEP's service provider also assisted Penmar's management in the writing of all process documentation as well as the company's quality policy manual. As a result of Millea's assistance, Penmar successfully reached its goal of becoming ISO 9001:2000 certified, and CONNSTEP continues to play an instrumental role by conducting the company's internal quality auditing processes. Realizing that ISO and Lean should go hand in hand, Penmar soon decided to complement their ISO certification with a renewed focus on implementing companywide Lean practices. They again turned to CONNSTEP to assist with their continuous improvement efforts in the office and on the shop floor. CONNSTEP's Lean consultants, including Martin Karbassioon, organized a six-week program to work

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with every employee on improving operating processes, employing a 5S (Sort, Set in Order, Shine, Standardize, Sustain) system, and utilizing skills developed from a Kaizen training and process improvement event. Although the initial stages were challenging, Penmar employees realized the benefits of having ISO in place, since there were less obstacles to applying Lean practices. Lean allowed them to become more organized in individual and collective roles, eliminate waste and provide outstanding service to clients. As a result of ISO certification and routine audits, Penmar has established a system for better documentation, traceability, and accountability in all areas of the production and delivery processes. Through the enterprise-wide Lean training, Penmar Industries has improved workplace organization and significantly raised all of its 5S scores in less than three months. By applying Lean practices and investing in continuous improvement efforts, Penmar has been able to survive the recession and become more efficient in their practices. By transforming the office into a Lean workspace, Penmar's office staff was able to effectively reduce paper load by 28 percent.

Results:

- * Achieved ISO 9001:2000 certification.
- * Increased sales by \$100,000.
- * Retained sales of \$500,000.
- * Realized \$5,000 in cost savings.
- * Reduced paperwork by 28 percent.
- * Invested \$10,000 in workforce development.

Testimonial:

"At Penmar Industries, we could not reach the goals we envisioned until CONNSTEP came in and helped. Without CONNSTEP's assistance, these significant improvements would not have happened."

J. Rick Cipot, Operations and General Manager